



FEDERAL ELECTION COMMISSION RQ-3
WASHINGTON, D.C. 20463

May 8, 1997

R. Guy Kraines, Treasurer
Consolidated Freightways Inc.
Political Action Committee
3240 Hillview Avenue
Palo Alto, CA 94304

Identification Number: C00110759

Reference: Amended April Quarterly (1/1/96-3/31/96) and Year End (11/26/96-12/31/96) Reports

Dear Mr. Kraines:

This letter is to inform you that as of May 7, 1997, the Commission has not received your response to our requests for additional information dated April 16, 1997. These notices request information essential to full public disclosure of your federal election campaign finances. To ensure compliance with the provisions of the Federal Election Campaign Act (the Act), please respond to these requests (copies enclosed).

If no response is received within fifteen (15) days from the date of this notice, the Commission may choose to initiate audit or legal enforcement action.

If you should have any questions regarding this matter, please contact Melissa Hurd on our toll-free number (800) 424-9530 or our local number (202) 219-3580.

Sincerely,

A handwritten signature in dark ink, appearing to read "John D. Gibson".

John D. Gibson
Assistant Staff Director
Reports Analysis Division

Enclosures



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

R. Guy Kraines, Treasurer
Consolidated Freightways Inc.
Political Action Committee
3240 Hillview Avenue
Palo Alto, CA 94304

APR 16 1997

Identification Number: C00110759

Reference: Year End Report (11/26/96-12/31/96)

Dear Mr. Kraines:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

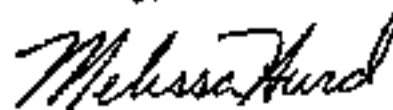
-The Commission notes your intention to amend your 30 Day Post-General and Year End Reports. However, the beginning cash balance of this report should equal the ending balance of your 30 Day Post-General Report. Please clarify this discrepancy and amend any subsequent report(s) that may be affected by this correction.

-The Column B totals for all of the Lines of the Summary and Detailed Summary Pages appear to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your previous report to the current "Total This Period" figure from Column A to derive the correct Column B totals. Please amend your report and any subsequent reports that may be affected by this correction.

-Schedule A supporting Line 11(a)(i) of your report discloses contributions received through what appears to be a payroll deduction plan. Please amend your report to disclose the frequency of the deductions. 11 CFR §104.8(b) Please refer to the enclosed sample of properly reported payroll deductions.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 219-3580.

Sincerely,

A handwritten signature in cursive script that reads "Melissa Hurd".

Melissa Hurd
Reports Analyst
Reports Analysis Division

PAYROLL DEDUCTIONS

SCHEDULE A ITEMIZED RECEIPTS		This receipt is attached to each copy of the Original Statement Page		PAGE 1 OF 1
Contributions from Individuals				
Any information copied from each Receipt and Statement may not be sold or used by any person for the purpose of obtaining contributions or for campaign purposes, other than using the name and address of any political committee to which contributions have been submitted.				
NAME OF COMMITTEE (in full) National Organization PAO 000000001				
A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date month day, year	Amount of Cash Received (in full)	
Anne Sullivan 21 18th Street City, State ZIP	National Organization, Inc.	8/15/94	\$50.00	
Receipt for: <input type="checkbox"/> Salary <input type="checkbox"/> Other <input type="checkbox"/> Other (specify)	Position: Branch Manager	Amount of Payroll Deduction: \$50.00	(50) (Salary)	
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date month day, year	Amount of Cash Received (in full)	
Rodney Jones 601 Mainbury Road City, State ZIP	National Organization, Inc.	8/15/94	\$125.00	
Receipt for: <input type="checkbox"/> Salary <input type="checkbox"/> Other <input type="checkbox"/> Other (specify)	Position: Vice President	Amount of Payroll Deduction: \$25.00	(25) (Salary)	

Itemize payroll deductions only after they have exceeded \$200 per calendar year from an individual.

IN-KIND CONTRIBUTIONS

SCHEDULE A ITEMIZED RECEIPTS		This receipt is attached to each copy of the Original Statement Page		PAGE 1 OF 1
Contributions from Individuals				
Any information copied from each Receipt and Statement may not be sold or used by any person for the purpose of obtaining contributions or for campaign purposes, other than using the name and address of any political committee to which contributions have been submitted.				
NAME OF COMMITTEE (in full) National Organization PAO 000000001				
A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date month day, year	Amount of Cash Received (in full)	
Martin L. Kress 4 River Road City, State ZIP	National Organization, Inc.	8/15/94	\$5,000.00	
Receipt for: <input type="checkbox"/> Salary <input type="checkbox"/> Other <input type="checkbox"/> Other (specify)	Position: Chairman	Amount of Payroll Deduction: \$5,000.00	(5,000) (SALARY)	

SCHEDULE B ITEMIZED EXPENDITURES		This receipt is attached to each copy of the Original Statement Page		PAGE 1 OF 1
Operating Expenditures/Other Federal				
Any information copied from each Receipt and Statement may not be sold or used by any person for the purpose of obtaining contributions or for campaign purposes, other than using the name and address of any political committee to which contributions have been submitted.				
NAME OF COMMITTEE (in full) National Organization PAO 000000001				
A. Full Name, Mailing Address and ZIP Code	Payee of Expenditure	Date month day, year	Amount of Cash Received (in full)	
Martin L. Kress 4 River Road City, State ZIP	Payee: Pledge	8/15/94	\$5,000.00	
Receipt for: <input type="checkbox"/> Salary <input type="checkbox"/> Other <input type="checkbox"/> Other (specify)	Payee: Pledge	Amount of Cash Received (in full)	(5,000) (CONTRIBUTION)	

Itemize in-kind contributions on both Schedules A and B so as not to inflate the cash-on-hand amount.

Payroll Deductions

Once an individual's deductions aggregate over \$200 in a calendar year, report the total amount deducted from the donor's paycheck during the reporting period on Schedule A. In parentheses indicate the amount that was deducted each pay period. Instead of stating a specific date of receipt, write "payroll deduction" under "Date." The other itemized information, including the year-to-date total, must be completed for each donor. 104.8(b).

EXAMPLE: During an election year, a corporate manager authorizes her employer to deduct \$15 per pay period (each pay period is two weeks) for the company's SSF. The SSF, which files FEC reports on a quarterly schedule, includes the manager's first-quarter contributions (\$90 for six pay periods) as "unitemized contributions" on Line 11(a)(3) in the April quarterly report.

By June 30 (the closing date for the July quarterly report), 13 pay periods have passed, and the manager's aggregate contributions are \$195—still below the \$200 itemization threshold. The manager's second-quarter contributions again are included in "unitemized contributions" in the July report.

By September 30 (the closing date for the October quarterly report), 19 pay periods have passed, and the manager's contributions reach \$285. Now the committee itemizes the total contributions received from the manager during the third quarter (\$90), providing the year-to-date total in the appropriate space. (See Item A in the illustration above.)

In-Kind Contributions

When determining whether to itemize an in-kind contribution, follow the same guidelines listed above under "When to Itemize Receipts." See page 8 for information on how to determine the dollar value of an in-kind contribution.

In addition, add the value of the in-kind contribution to the operating expenditures total on Line 21(b) (in order to avoid inflating the cash-on-hand amount). 104.13(a)(2).

If the in-kind contribution must be itemized on Schedule A, then it must also be itemized on a Schedule B for operating expenditures. See the illustration at right.